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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of

Program to Monitor Impacts of
Universal Service Support
Mechanisms

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CC Docket No. 96-45
CCB-IAD File No. 98-101
DA 98-580

COMMENTS OF GTE

Dated: May 26, 1998

GTE Service Corporation and its affiliated
domestic telephone operating, wireless, and
long distance companies

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COMMENTS OF GTE

GTE Service Corporation and its affiliated domestic telephone operating, wireless and long distance companies¹ (collectively, "GTE") respectfully respond to the Common Carrier Bureau's Public Notice CCB-IAD File No. 98-101, DA 98-580 (the "Notice"), 1998 FCC LEXIS 2007, seeking comments on its proposed monitoring program to assess and evaluate the new universal service support mechanisms.

I. INTRODUCTION AND SUMMARY

With some exceptions or suggested modifications set out *infra*, GTE supports the monitoring program proposed by the Notice. GTE understands it is the Bureau's responsibility to collect and report data concerning a number of key measurements in

¹ These comments are filed on behalf of GTE's affiliated domestic telephone operating companies, GTE Wireless Incorporated, and GTE Communications Corporation, Long Distance Division. GTE's domestic telephone operating companies are: GTE Alaska Incorporated, GTE Arkansas Incorporated, GTE California Incorporated, GTE Florida Incorporated, GTE Hawaiian Telephone Company Incorporated, The Micronesian Telecommunications Corporation, GTE Midwest Incorporated, GTE North Incorporated, GTE Northwest Incorporated, GTE South Incorporated, GTE Southwest Incorporated, Contel of Minnesota, Inc., and Contel of the South, Inc.

order to permit a continuing process of evaluation of the effectiveness and efficiency of the universal service support mechanisms. A great mass of the data to be reported to the federal fund Administrator (the "Administrator") will have important value in making this evaluation. This data will have special value in that it will embrace all contributors to and all recipients of universal service (the "Contributors-Recipients"). And the data will be easy and inexpensive for the Bureau to collect from the Administrator and other publicly available sources. To the extent the plan described in the Notice proposes to rely on such data, or on other data already being reported which will continue to be reported in any event, GTE makes no objection to this aspect of the plan.

GTE must express concern about the plan's evident intent to continue relying on data other than the Administrator's, because this other data will be of little value because it will not be drawn from all Contributors-Recipients. New data requirements should not be imposed unless shown to be necessary and of real usefulness in the process of evaluation. The Notice contains no such showing.

GTE is not persuaded that additional reporting requirements over and above submission of data to the Administrator are necessary or would be useful in assessing the effectiveness of universal service support mechanisms. Nor should the assessment plan finally adopted expect continued employment of data collected for other purposes when those purposes no longer exist and/or termination of that reporting has already been

decided.² In GTE's view, assessing the effectiveness of universal service support programs can be efficiently accomplished with data already required to be submitted to the Administrator and urges the FCC to eliminate rather than increase data collection requirements.

Finally, to the extent that the Bureau seeks information regarding the measurement of actual or potential competition, it should do so in the context of the *Local Competition Survey*, not in this proceeding.

II. IMPOSITION OF NEW DATA COLLECTION REQUIREMENTS IS NEITHER NECESSARY NOR ADVISABLE.

Generally, to the extent data proposed for collection in the Notice is already available – as for example because it will be reported to the Administrator -- GTE is not opposed to the Notice's proposals. However, when data has never been reported or is no longer being reported, so that a data requirement would have to be created, GTE opposes the introduction of such reporting requirements unless the Bureau makes a clear-cut demonstration of a public interest need and that accumulating the data will not impose costly administrative burdens out of proportion to the value of the data collected. The Notice contains no such demonstration.

In its proposal to measure the impact of universal service support through rate analysis, the Notice (at paragraph 38) states: "we expect the burden on selected carriers

² Note that GTE is recommending dramatic reductions in FCC requirements for ARMIS reporting. In the Matter of Proposed Modifications to ARMIS Service Quality Reporting Requirements (AAD File No. 98-22) and Proposed Modifications to ARMIS 43-07 Infrastructure Report (AAD File NO. 98-23), GTE's reply comments filed May 15, 1998 at 6.

to be minimal" and "we propose to collect information, on an annual basis, from a stratified random sample of local exchange carriers." GTE does not generally oppose providing relevant data as part of the revised Residential and Business Rate Surveys attached to the Notice. On this point, however, GTE must express concern about the "stratified random sample of local exchange carriers" if the intent is not to collect data from all Recipients, in which case the Bureau will not obtain representative data upon which to base its analysis of "just, reasonable and affordable rates" pursuant to 47 U.S.C. subsection 254(b)(1) throughout the fifty states.

In addition, the Bureau must keep in mind the potential administrative burden the survey instrument carries with it – a burden that would fall heavily on a carrier operating in multiple states unless this is taken into account in setting data submission schedules.

The Notice (at paragraph 44) proposes to resurrect reporting presubscribed line ("PSL") data for purposes of measuring network growth and calculating data on access lines by combining data on presubscribed lines with new data on "no PIC" lines. It was recognized when this reporting requirement was discontinued after the March 1997 filing that collecting PSL data is an expensive and administratively burdensome activity that produces data of little value. GTE opposes resurrecting this reporting requirement in this proceeding.

In its inquiry into revenues, expenses and investments, the Notice (at paragraph 49) seeks comments on what financial information is sufficiently related to the Commission's universal service support mechanisms to be useful. GTE believes that the only financial information that is relevant to universal service is the retail revenue data that all Contributors will provide to the Administrator for purposes of calculating quarterly

federal contribution factors. ARMIS Reports 43-01 and 43-04 are not useful because they reflect data submitted by only some carriers. Information contained in these reports is not sufficiently related to the Commission's universal service support mechanisms to justify its continued inclusion in the Monitoring Report

III. GTE DOES NOT SUPPORT SUPPLEMENTING THE FEDERAL DATA WITH CORRESPONDING DATA ON STATE UNIVERSAL SERVICE MECHANISMS.

GTE's primary concern with the proposal of the Notice (at paragraph 9) to supplement Federal data with corresponding data on state universal service mechanisms is the complexity of obtaining comparable data for 50 dissimilar state programs. GTE suggests that, if the Bureau pursues this approach, data compilation should be coordinated with the state program administrators rather than with individual Contributors-Recipients. State and federal universal service program administrators should not impose duplicative, costly and administratively burdensome reporting requirements. GTE continues, as always, to oppose the imposition of unnecessary regulatory burdens on any carriers.

IV. GTE GENERALLY SUPPORTS THE BUREAU'S PROPOSAL TO PROVIDE AGGREGATED DATA.

GTE does not generally oppose reporting data aggregated to a generic category -- for example, state level detail or for a group of similarly situated carriers such as all Incumbent Local Exchange Carriers ("ILECs"), or all interexchange carriers, or all cellular providers, *etc.*

The Bureau should ensure that aggregating data results in purposeful and meaningful information. As an example, the amount of universal service support available to carriers in each state's designated support area is meaningful to those carriers serving or interested in serving a specific support area. The usefulness of aggregating support

available to a state level is limited to calculating each state's portion of the whole fund, but provides little insight beyond that. While individual state fund administrators need to maintain support-area-specific data, it would be administratively burdensome for the Administrator to compile the voluminous amounts of information for purposes of federal publication.

Alternatively, the Notice (at paragraphs 46 and 48) seeks input on disaggregating ARMIS data to an MSA and non-MSA level. Because some, but not all, ARMIS reports provide detail at the MSA and non-MSA level, from a user's perspective, it would be easier to understand and compare the published data if it were provided at a consistent level of detail. For these reasons, GTE does not support the publication of ARMIS data below the study area level.

V. GTE OPPOSES DISAGGREGATING DATA TO A LEVEL OF DETAIL THAT MAY COMPETITIVELY DISADVANTAGE ANY MARKET PARTICIPANT.

GTE strenuously objects to any proposal to disaggregate data to a level of detail that could competitively disadvantage a specific entity. As an example, the Notice (at paragraph 29) seeks comment on whether it is desirable and feasible to seek market share data in individual markets. Such a requirement competitively disadvantages the entities required to report and it also imposes a costly and administratively burdensome requirement on those entities. Moreover, in the end, the Bureau will not obtain complete data for purposes of analyzing the competitive market; the incomplete data obtained may produce a highly misleading picture.

GTE is most disturbed by the proposal of the Notice (at paragraphs 31 and 34) to disclose publicly the proprietary contents of private contracts associated with schools, libraries and rural health care providers. The Bureau proposes to disclose the total

amount of support received by each providing company or the amount of support received by each company for individual contracts. In either case, this would not be competitively neutral because this level of detail could be sufficient for a competitor to determine a vendor's prices and to develop its own pricing plan for future competitive bidding purposes.

VI. THE BUREAU SHOULD DEFER ALL ISSUES RELATED TO MEASURING ACTUAL OR POTENTIAL COMPETITION TO CC DOCKET NO. 91-141, CCB IAD FILE NO. 98-102.

The Notice (at para. 27) requests input on whether the information provided should be used as a measure of the existence of actual or potential competition. The Bureau issued another Public Notice in CC Docket No. 91-141, CCB-IAD File No. 98-102, DA 98-839, released May 8, 1998, (the "*Local Competition Survey*") in which it seeks comment on a local competition survey. GTE recommends that the Bureau defer all issues related to measuring actual or potential competition to that proceeding.

VII. THE BUREAU'S PROPOSAL TO PUBLISH TWO REPORTS ANNUALLY DOES NOT APPEAR TO COMPLY WITH THE INTENT OF THE PAPERWORK REDUCTION ACT.

The Notice (at paragraph 13) proposes to publish a summer and winter edition that includes all sections of the Monitoring Report to replace the single annual report (e.g., the May 1997 Monitoring Report , which exceeded 680 pages) while emphasizing newly received data. The Notice also proposes to introduce four new sections, to incorporate state data, and to reiterate data available from other Commission sources (e.g., ARMIS). But it contains no specific proposal to delete any of the existing reporting requirements. It is hard for GTE to envision how this "new and improved" Monitoring Report will comply with the goals and intent of the Paperwork Reduction Act and the Telecommunications Act

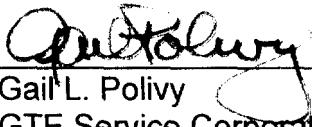
of 1996 so long as it is increasing reporting burdens. GTE urges the FCC to renew its determination to avoid imposing unnecessary burdens.

Dated: May 26, 1998

Respectfully submitted,

GTE Service Corporation and its affiliated
domestic telephone operating, wireless, and
long distance companies

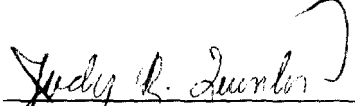
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Certificate of Service

I, Judy R. Quinlan, hereby certify that copies of the foregoing "Comments of GTE" have been mailed by first class United States mail, postage prepaid, on May 26, 1998 to all parties of record.



Judy R. Quinlan